

CONFIDENTIAL.

(5590.)

F.O.

407 FURTHER CORRESPONDENCE

RESPECTING THE

CLAIMS OF THE EX-KHEDIVE, ISMAÏL PASHA,

AGAINST THE

EGYPTIAN GOVERNMENT.

[In continuation of Confidential Paper No. 5538.]

CONFIDENTIAL.

Further Correspondence respecting the Claims of the ex-Khedive, Ismail Pasha, against the Egyptian Government.

[In continuation of Confidential Paper No. 5538.]

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No. 1.

Sir E. Baring to the Marquis of Salisbury.—(Received January 9.)

(No. 6.)
My Lord,
I HAVE the honour to report that Mr. Marriott arrived here a short time ago with a view to discussing the question of a settlement of the ex-Khedive's claims with the Egyptian authorities.
In anticipation of his arrival some discussion had taken place here on the subject.
I have the honour to inclose (1) a copy of a note addressed to the Council of Ministers by Sir Edgar Vincent; (2) a copy of a note addressed by the Finance Committee to the Council of Ministers.
In these documents the basis on which the Egyptian Government is prepared to treat is explained.
They have been communicated to Mr. Marriott, who has had several discussions with the various Egyptian authorities concerned on the subject.
It will be extremely difficult to arrive at any settlement, but, so far as I can at present judge, it is not impossible that, by some mutual concessions, an arrangement will eventually be made which will obviate the necessity of recourse to the Law Courts.

I have, &c.
(Signed) E. BARING.

Inclosure 1 in No. 1.

Note addressed to the Council of Ministers by Sir E. Vincent.

LA question de l'échange des allocations servies à certains membres de la famille Khédiviale a été à diverses reprises l'objet de la considération du Gouvernement, dans la sincère conviction que cet échange serait très favorable aussi bien pour les intérêts particuliers des Princes et Princesses que pour les intérêts généraux du pays.
Les pourparlers engagés à cet effet n'aboutirent toutefois à aucun résultat décisif, par suite principalement de l'incertitude qui régnait sur le caractère même des allocations en sur les revendications d'augmentations qui étaient en instance devant les Tribunaux.
Aujourd'hui, les membres de la famille Khédiviale paraissant disposés à renouer les négociations, le Gouvernement ne croit de son côté aucune objection à reprendre son projet.
Il désire cependant établir au préalable les bases d'arrangement qu'il considère indispensables pour arriver à une conclusion.

En premier lieu, le Gouvernement ne traiterait qu'avec un représentant autorisé des membres de la famille dont les noms et les allocations sont mentionnés ci-après.

	£ E.
Son Altesse Ismaïl Pacha	40,000
„ Hassan Pacha	15,000
„ Hussein Pacha	12,000
„ Tenfida Mansour	12,000
„ Aly Bey	1,800
„ Ibrahim Pacha	9,000
„ Mahmoud Pacha	5,400
„ Mère de Mahmoud Pacha	3,600
Leurs Altesse Fouad Bey et sa Mère	2,600
Son Altesse Djemileh Hanem	9,000
Leurs Altesse petits Princesses	6,000
Total	116,400

En second lieu, les dits Princes et Princesses feraient abandon formel de tous leurs chefs de réclamation contre le Gouvernement et il leur serait concédé des terres pour une valeur correspondant à un capital égal à douze fois le montant de leur allocation actuelle.

Cet échange aurait pour effet d'éteindre d'une façon absolue tous les droits des bénéficiaires aussi bien que ceux de leurs héritiers.

En soumettant cette proposition au Conseil des Ministres le Comité des Finances ne saurait trop insister sur les avantages économiques de l'arrangement projeté dont la conclusion contribuerait grandement au succès des opérations que le Gouvernement a en vue, pour la liquidation des Domaines de l'État.

Il est bien entendu que les trois quarts des terres données en échange seraient constituées en Wakf.

Inclosure 2 in No. 1.

Note addressed to the Council of Ministers by the Finance Committee.

POUR faire suite à sa note en date de ce jour relative à l'échange des allocations servies à certains membres de la famille Khédiviale, le Comité des Finances a l'honneur de faire au Conseil des Ministres l'exposé du résultat financier de cette opération :—

	£ E.
Le chiffre total des allocations actuellement servies s'élève à par an	116,400
Les terres qui seront données en échange auront une valeur de	1,396,000

Il y aurait donc lieu de faire un emprunt de £ E. 1,400,000, dont le service de l'intérêt représenterait avec l'amortissement une dépense annuelle de 98,000l., calculée sur la base de 7 pour cent, soit une économie de 18,400l. par an.

Si le Gouvernement donnait les terres avec une réduction de 20 pour cent sur les prix du Cahier des Charges des Domaines le compte s'établirait ainsi :—

	£ E.
Somme à payer aux Domaines pour obtenir des terres ayant une valeur effective de 1,400,000l.	1,750,000
Intérêts et amortissement, à 7 pour cent	122,500
Le service des allocations étant de	116,400
La perte serait donc de	6,100

Le Comité des Finances espère que cette considération serait suffisante pour décider le Conseil des Ministres à ne pas accorder la réduction de 20 pour cent qui rendrait le résultat de l'échange défavorable au Trésor.

No. 2.

Sir E. Baring to the Marquis of Salisbury.—(Received January 16.)

(No. 12.)
My Lord,

Cairo, January 4, 1888.

IN continuation of my despatch No. 6 of the 2nd instant, on the subject of the proposed settlement of the ex-Khedive's claims, I have the honour to inclose

herewith copy of a note which has been addressed by the President of the Council of Ministers to the Minister of Finance in reply to the communications laid before the Council in reference to this question.

Your Lordship will see from Nubar Pasha's note the bases on which the Egyptian Government are prepared to enter into negotiations with a duly authorized agent of the ex-Khedive and of the members of his family, with a view to arriving at a satisfactory and definite settlement of their claims against the Egyptian Government.

I have, &c.
(Signed) E. BARING.

P.S.—I have further the honour to transmit to your Lordship copy of a letter which Sir Edgar Vincent has written to Mr. Marriott in connection with this subject.
E. B.

Inclosure 1 in No. 2.

Nubar Pasha to the Minister of Finance.

Le Caire, le 29 Décembre, 1887.

M. le Ministre et cher Collègue,

DANS sa séance du 26 Décembre le Conseil des Ministres a pris connaissance des deux notes en date du même jour par lesquelles le Comité des Finances fait ressortir l'avantage qu'il y aurait pour le Gouvernement d'échanger contre des terres les allocations servies à certains membres de la Famille Khédiviale.

Le montant total de ces allocations étant de £ E. 116,400 par an, le Comité des Finances propose de contracter un emprunt de £ E. 1,400,000 dont le service de l'intérêt représenterait avec l'amortissement une dépense annuelle de £ E. 98,000, calculée sur la base de 7 pour cent, soit une économie de £ E. 18,400 par an. Les Princes et Princesses dont il s'agit feraient abandon formel de tous leurs chefs de réclamation contre le Gouvernement et il leur serait concédé des terres pour une valeur correspondant à un capital douze fois égal au montant de leurs allocations actuelles. Cet échange aurait pour effet d'éteindre d'une façon absolue tous les droits des bénéficiaires aussi bien que ceux de leurs héritiers. Les trois quarts des terres à donner en échange seraient constituées en Wakf.

Le Conseil, après en avoir délibéré, approuve en principe la proposition du Comité des Finances, et charge le Ministre des Finances de négocier en temps utile sur les bases suivantes :—

1. Le fondé de pouvoirs devrait se faire donner par tous les Princes et Princesses ci-dessus visés les pouvoirs nécessaires.
2. L'échange représenterait douze fois le montant des allocations actuelles.
3. Aucune rédaction ne serait convenue sur le prix d'estimation des terres à donner en échange.

Veillez, M. le Ministre, donner à cette décision du Conseil la suite voulue, et agréer, &c.

Le Président du Conseil des Ministres,
(Signé) NUBAR.

Inclosure 2 in No. 2.

Sir E. Vincent to Mr. Marriott.

Cairo, January 3, 1888.

Dear Mr. Marriott,

I HAVE carefully examined the Memorandum containing the proposed basis of settlement, and have discussed the different points with the Egyptian Government.

Any negotiations on such a basis would be entirely fruitless. The conditions proposed are, if you will allow me to use the expression without offence to yourself or your clients, preposterous.

What is the position of the Egyptian Government? We are advised that the case, if brought before the Tribunals, is certain to be given in our favour on the two main points under discussion, viz., the yearly allowances and the Palaces, including contents. With regard to the third point, viz., the Domains crops, some doubt may exist; but I am sanguine of a result favourable to the Government.

The recent decision of the Court of Appeal with regard to the land attached to the

Ismailieh Palace is one to which I would draw your attention if you still retain hopes of a successful suit. In the event of the Government obtaining a favourable Judgment on the question of the allowances, as to which I entertain no doubt, your clients are liable to an immediate reduction of their allocations.

I cannot say what the conditions of Egyptian finance will be next year; but if economies are required there is no chapter of the Budget which could be reduced with such general approbation both in Egypt and elsewhere. Between reducing the extravagant allowances now paid yearly to your clients and curtailing the pension list no humane or right-minded Government can hesitate.

You have asked on what terms the Government would compromise the case. The decision of the Council of Ministers, of which I now send you a copy, will furnish an answer. There is little prospect of obtaining better terms, as we are confident of success, and I personally should agree to no arrangement which would increase the yearly charge on the Budget. I may, indeed, go further, and inform you, without breach of confidence, that these conclusions were only accepted after considerable hesitation, and, in a measure, through a feeling of personal confidence in yourself.

It should be clearly understood by your clients that the terms now offered will be withdrawn should you leave Egypt without effecting a settlement, and that the Government will then decline any negotiations or compromise, leaving the matter to be decided by the Mixed Tribunals.

Yours, &c.
(Signed) EDGAR VINCENT.

No. 3.

Sir E. Baring to the Marquis of Salisbury.—(Received January 18, 6.20 P.M.)

(No. 14.)
(Telegraphic.)

Cairo, January 18, 1888, 6.45 P.M.

MR. MARRIOTT has received full powers from the ex-Khedive, on behalf of himself and several other members of the Khedivial family, to settle all the outstanding claims.

No. 4.

Sir E. Baring to the Marquis of Salisbury.—(Received January 24, 10 A.M.)

(No. 19.)
(Telegraphic.)

Cairo, January 24, 1888, 8.25 A.M.

THE Egyptian Government has come to an agreement with Marriott and Prince Hussein, who has Ismail Pasha's power of attorney, on the following lines:—

1. Allowances to the extent of 86,000*l.* per annum to be commuted into Domains land of the value of 1,210,000*l.* The prices to be those in the Domains catalogue. 180,000*l.* to be given in money to buy the live stock and other floating capital now the property of the Domains. Half of Ismail Pasha's land, and two-thirds of the land given to the other Princes, to be placed in trust.

2. The Palace at Constantinople and two Palaces here to be ceded with the gardens, but without the farms attached to them.

3. 100,000*l.* to be paid for the harvest and seed claim.

The Egyptian Government will at once consult with the Commissioners of the Debt about raising the money.

(Private.)

I regard this arrangement as most satisfactory. The negotiation has been very difficult, and the result is most creditable to both Marriott and Vincent, who conducted it.

No. 5.

Sir E. Baring to the Marquis of Salisbury.—(Received by telegraph, January 24.)

(No. 41. Ext. 19.)

My Lord,

Cairo, January 24, 1888.

WITH reference to previous correspondence respecting the claims of the ex-Khedive, I have had the honour this day to report to your Lordship, by telegraph, that the Egyptian Government has come to an agreement with Mr. Marriott and Prince Hussein (who has Ismail Pasha's power of attorney) on the following lines:—

1. Allowances to the extent of £ E. 86,400 a-year to be commuted into Domains lands of the value of £ E. 1,210,000. The prices to be those in the Domains catalogue; £ E. 180,000 to be given in money to buy the live stock and other floating capital now the property of the Domains Administration. Half of Ismail Pasha's land, and two-thirds of the land given to the other Princes, to be placed in trust.

2. The Palace at Constantinople and two Palaces here (Ghezireh and Kasr-el-Nil) to be ceded with the gardens, but without the farms ("teftiches") attached to them.

3. £ E. 100,000 to be paid for the harvest and seed claim.

The Egyptian Government will, I understand, at once consult the Commissioners of the Public Debt about raising the necessary money.

I have, &c.
(Signed) E. BARING.

No. 6.

The Marquis of Salisbury to Sir E. Baring.

(No. 9.)
(Telegraphic.)

Foreign Office, January 25, 1888, 2 P.M.

HAVE received your telegram No. 19 with much satisfaction.

No. 7.

Sir E. Baring to the Marquis of Salisbury.—(Received January 26, 6.35 P.M.)

(No. 22. Confidential.)
(Telegraphic.)

Cairo, January 26, 1888, 3.30 P.M.

THE Khedive is writing by to-day's mail to the Grand Vizier at Constantinople asking for the authority of the Sultan to borrow up to a maximum of 7,000,000*l.* The Khedivial Agent at Constantinople will have instructions not to deliver the letter until he receives orders by telegraph to do so. We think here that the main difficulty which now stands in the way of settling the ex-Khedive's claims and other connected matters is obligation to obtain Sultan's Firman before money can be borrowed. We should like to attack this question at once, whilst Marriott, who leaves for Constantinople to-day, is there, and can bring his personal influence to bear on the ex-Khedive, and so perhaps influence the Sultan.

As regards the amount, about 1,500,000*l.* will be required for Khedivial family. Some other members besides those included in Marriott's arrangement will now probably come in. Some 600,000*l.* is required to make good the amount of Guaranteed Loan, owing to all the lands which formed part of the assets of the loan not having yet been sold. There is some idea of spending 500,000*l.* on drainage, which is much required, and would be productive. About 1,000,000*l.* is wanted for the further commutation of pensions. The balance may be wanted for a further operation tending to get the Domains lands back into the hands of the cultivators, the details of which I cannot explain by telegraph. I see no harm, but rather good, in taking powers to borrow a large sum. I understand that this is also the view of the Commissioners of the Debt. But of course only so much stock as is actually required would be issued at once, and every guarantee would be given that the money is only devoted to certain specified and approved objects.

I have fully convinced myself that the financial operation is quite sound, and I strongly recommend that no objection be made to the Khedive applying to the Sultan as proposed. I would suggest that Sir W. White be instructed to support the proposal.

if necessary, although for the moment I am inclined to think active diplomatic interference on our part is undesirable.

Please send very early answer. We are anxious, if possible, to get Sultan's assent before possible political influences of a hostile character are brought to bear on him.

No. 8.

Sir E. Baring to the Marquis of Salisbury.—(Received February 6.)

(No. 48.)

My Lord,

Cairo, January 27, 1888.

I HAVE already, both by telegraph and in my despatch No. 41 of the 24th instant, described the nature of the agreement respecting the settlement of the claims of the ex-Khedive and his family, which has been come to by the Egyptian Government, on the one hand, and by Mr. Marriott, Q.C., and Prince Hussein Kiamil Pasha, on the other. I have now the honour to inclose copy of an official letter, dated the 23rd instant, addressed by Mr. Marriott to Nubar Pasha, and of Nubar Pasha's reply, dated the 25th. In these letters the arrangement come to is set forth in detail, and that from Mr. Marriott is supplemented by the formal adherence of Prince Hussein Pasha, both in his own name and in those of His Highness Ismail Pasha and their Highnesses Chokrat Hanem, Djenanlar Hanem, Tehesmatat Hanem, Aly Bey, Fuad Bey, Amina and Nemat Hanem, Hassan Pasha and his wife, and Ibrahim Pasha Hilmy, from whom he holds a power of attorney authorizing him to act on their behalf in this matter.

I have already reported that the allowances to the Khedivial family to the extent of £ E. 86,473 a-year are to be commuted into Domains lands of the value of £ E. 1,210,000, according to the valuation of the Domains "Cahier des Charges." The proportion and manner of the distribution of this land among the various members of the family is clearly laid down in the inclosed letters. The Princes and Princesses may claim a sum not exceeding £ E. 180,000, to be distributed in the same proportion as the lands, and to be devoted to the purchase of live stock and other floating capital now the property of the Domains Administration. This sum will be deducted from the gross sum of £ E. 1,210,000.

It is clearly set forth that two-thirds of the lands thus given are to be constituted a "wakf," that is, to be placed in trust for their descendants in the direct line until its extinction, on which they will revert to the State. The remaining third part may be at any time disposed of. This condition does not apply to the ex-Khedive Ismail Pasha himself, of whose land only one-half is to be constituted a "wakf." He may dispose as he pleases of the remaining half.

Besides the sums awarded to the Princes and Princesses named above, and who are specially designated in the Agreement, it is possible that the names of Djemileh Hanem, of Mahmoud Pasha and his mother, and of Princess Mansour will be added, their claims being settled in the same proportion and on the same terms as the others.

The allowances at present awarded to them are as follows:—

	£ E.
Djemileh Hanem	9,000
Mahmoud Pasha	5,100
The mother of Mahmoud Pasha	3,600
Princess Mansour	12,000
Amounting in all to	30,000

The remaining terms of the Agreement have already been reported by me in my above-mentioned despatch.

The arrangement thus come to is a satisfactory one, both for the Egyptian Government and for the members of the Khedivial family. It has settled a difficult question, which has been long outstanding, and which has of late years given great anxiety to His Highness' Government. The recent negotiations have been carried on principally between Mr. Marriott, as representing the Khedivial family, and Sir E. Vincent, as Financial Adviser to the Egyptian Government, and it is, in my opinion, in great measure due to the forbearance, moderation, and sense of justice evinced by these two gentlemen that the great difficulties in the way of a satisfactory settlement have been overcome, and that a question which has long threatened to give rise to the most awkward complications has been amicably and, I hope, definitively set at rest.

I have, &c.

(Signed) E. BARING.

Inclosure 1 in No. 8.

Mr. Marriott to Nubar Pasha.

Le Caire, le 23 Janvier, 1888.

Excellence,

FAISANT suite à notre conversation, je m'empresse de vous faire savoir que je suis prêt, au nom de leurs Altesses Ismail Pasha et ses trois épouses, de ses fils Fuad Bey et Aly Bey, de ses filles Emina et Nemat Hanem, de leurs Altesses Hassan Pasha et son épouse, Hussein Pasha, Ibrahim Pasha Helmy, à accepter l'arrangement ci-après.

2. Le Gouvernement donnerait aux dits Princes des terres domaniales pour une valeur de £ E. 1,210,000 d'après le Cahier des Charges actuel annexé au Règlement des Ventes de l'Administration des Domaines. Cette somme sera répartie ainsi qu'il suit:—

	£ E.
A Son Altesse Ismail Pasha	560,400
A leurs Altesses Emina et Nemat Hanem	84,000
A son Altesse Aly Bey	25,200
A son Altesse Fuad Bey et sa mère	36,400
A son Altesse Hussein Pasha	168,000
A son Altesse Hussein Pasha et son épouse	210,000
A son Altesse Ibrahim Pasha	126,000

3. Il sera loisible aux Princes de demander une somme en numéraire qui sera proportionnelle à leur part dans les £ E. 1,210,000 et ne pourra pas excéder £ E. 180,000. Cette somme est destinée à leur faciliter l'achat du Cheptel des Domaines et à régler la créance éventuelle des domaines pour la valeur des récoltes sur pied, semences, &c. Elle viendra en déduction de celle de £ E. 1,210,000 stipulée ci-dessus.

4. Il est formellement entendu que les terres ainsi données devront être constituées en Wakf, jusqu'à concurrence des deux tiers de leur valeur au profit des constituants et de leurs descendants en ligne directe, jusqu'à extinction, pour faire ensuite retour à l'État.

5. Toutefois son Altesse Ismail Pasha ne sera tenu à la constitution en Wakf que pour la moitié et il pourra disposer comme il l'entendra de l'usufruit au profit de ses descendants.

6. Un délai de trois mois est accordé aux Princes pour faire connaître les terres qu'ils auront choisies, et à défaut les terres seront désignées par la Commission des Domaines, sans qu'il y ait lieu à aucune espèce de recours.

7. De son côté, le Gouvernement s'engage à faire la consignation des terres désignées dans un délai de six mois, à partir du jour où l'emprunt destiné à faire face à cette opération aura été émis.

8. En ce qui concerne les immeubles incorporés au Domaine Public, le Gouvernement déclare formellement renoncer à tous les droits quelconques sur le Palais d'Emirghian et toutes autres propriétés à Constantinople; le Palais de Kasr-el-Aly, ainsi que le Palais et le jardin de Ghezireh dans l'état où ils se trouvent, sans comprendre le fief de Ghizeh et Gezireh, qui est et demeure la propriété exclusive du Gouvernement.

9. D'autre part, également, il sera payé aux Princes, soit en monnaie de Liquidation, soit en numéraire, une somme de £ E. 100,000, représentant le chef de réclamation relatif aux semences, récoltes, argent en caisse, impôts et salaires payés d'avance, &c., ainsi qu'en général toutes autres réclamations quelconques. Cette somme sera répartie de la façon suivante:—

	£ E.
Son Altesse Ismail Pasha (pour lui et les trois Princesses)	50,000
Son Altesse le Prince Hussein	14,000
Son Altesse le Prince Hassan	14,000
Son Altesse le Prince Ibrahim	20,000
Son Altesse Amina Hanem	2,000
Total	100,000

10. Le paiement des dites sommes et la consignation des propriétés ci-dessus s'effectueront au plus tard en même temps que la consignation des terres domaniales ou plus tôt si faire se peut.

11. Moyennant le présent échange leurs Altesses déclarent formellement se désister des actions par eux introduites contre le Gouvernement, renoncer à toutes réclamations quelconques, déclarent en un mot que le Gouvernement est entièrement et définitivement libéré vis-à-vis d'eux à ce jour sans qu'il puisse y avoir réclamation à

soulever, pour quelque cause et sous quelque prétexte que ce soit, les présentes constituant un règlement de comptes définitif.

12. Moyennant le présent arrangement, la Liste Civile se trouve définitivement réduite de la somme de £ E. 86,173, présentement rachetée. En conséquence, les Princes ci-dessus désignés déclarent formellement, en leur nom, et, en tant que de besoin, au nom de leurs héritiers, qu'ils n'ont plus aucun droit, et ne peuvent, à quelque titre que ce soit, demander une allocation sur la Liste Civile.

Veuillez, &c.
(Signé) W. T. MARRIOTT.

Je, Soussigné, déclare avoir pris connaissance du présent Arrangement et l'accepte tant en mon nom qu'au nom de leurs Altesses Ismaïl Pacha, Chokrat Hanem, Djennanniar Hanem, Tchsmafat Hanem, Aly Bey, Fouad Bey, Amina et Neemat Hanem, Hassan Pacha et son épouse, et Ibrahim Pacha Helmy, dont je suis le fondé de pouvoirs suivant procurations régulières.

(Signé) HUSSEIN KIAMIL.

Inclosure 2 in No. 8.

Nubar Pasha to Mr. Marriott, M.P.

Monsieur,

Le Caire, le 25 Janvier, 1888.

J'AI l'honneur d'accuser réception à la lettre que vous m'avez adressée sous la date du 23 Janvier courant, et je m'empresse de vous faire savoir qu'après avoir pris les ordres de Son Altesse le Khédive je suis autorisé à accepter, et j'accepte, au nom du Gouvernement Égyptien, l'arrangement que vous me proposez, et qui a été ratifié par son Altesse le Prince Hussein Pacha Kiamil, tant en son nom qu'au nom de leurs Altesses Ismaïl Pacha, Chokrat Hanem, Djenanniar Hanem, Tchsm Afet Hanem, Aly Bey, Fouad Bey, Amina et Nemat Hanem, Hassan Pacha et son épouse, Ibrahim Pacha Helmy, dont il se déclare le fondé de pouvoirs, à savoir :

Le Gouvernement donnera des terres domaniales pour une valeur de £ E. 1,210,000 d'après le cahier des charges actuel annexé au Règlement des Ventes de l'Administration des Domaines de l'État, dont un exemplaire dûment arrêté par la Commission est ci-joint, et répartie, ainsi qu'il suit, entre les Princes et les Princesses :—

	£ E.
A son Altesse Ismaïl Pacha et ses trois épouses	560,100
A leurs Altesses Amina et Nemat Hanem	84,000
A son Altesse Aly Bey	25,200
A son Altesse Fouad Bey et sa mère	36,100
A son Altesse Hussein Pacha Kiamil	168,000
A son Altesse Hassan Pacha et son épouse	210,000
A son Altesse Ibrahim Pacha Helmy	126,000

Il sera loisible aux Princes et Princesses de demander une somme en numéraire qui sera proportionnelle à leur part dans les £ E. 1,210,000 et ne pourra pas excéder £ E. 180,000. Cette somme est destinée à leur faciliter l'achat du Cheptel des Domaines et à régler la créance éventuelle des Domaines pour la valeur des récoltes sur pied, semences, &c. Elle viendra en déduction de celle de £ E. 1,210,000 stipulée ci-dessus.

Il est formellement entendu que les terres, ainsi données, devront être constituées en Wakf, jusqu'à concurrence des deux tiers de leur valeur au profit des constituants et de leurs descendants en ligne directe jusqu'à extinction, pour faire ensuite retour à l'État.

Toutefois, Son Altesse Ismaïl Pacha ne sera tenu à la constitution en Wakf que pour la moitié, et il pourra disposer, comme il entendra, de l'usufruit au profit de ses descendants.

Un délai de trois mois est accordé aux Princes et Princesses pour faire connaître les terres qu'ils auront choisies ; et, à défaut, les terres seront désignées par la Commission des Domaines, sans qu'il y ait lieu à aucune espèce de recours.

De son côté, le Gouvernement s'engage à faire la consignation des terres désignées dans un délai de six mois, à partir du jour où l'emprunt destiné à faire face à cette opération aura été émis.

En ce qui concerne les immeubles incorporés au Domaine Public, le Gouvernement déclare formellement renoncer à tous droits quelconques sur :

Le Palais d'Emirghian et toutes autres propriétés à Constantinople.

Le Palais de Kasr-el-Aly, ainsi que le Palais et le jardin de Ghézireh, dans l'état où ils se trouvent, sans comprendre les Teftiches de Ghisch et Ghézireh, qui sont et demeurent la propriété exclusive du Gouvernement.

D'autre part, également, il sera payé aux Princes et Princesses, soit en monnaie de liquidation, soit en numéraire, une somme de £ E. 100,000, représentant le chef de réclamation relatif aux semences, récoltes, argent en caisse, impôts, et salaires payés d'avance, &c., et le chef de réclamation des meubles ainsi qu'en général toutes autres réclamations quelconques.

Le paiement de la dite somme et la consignation de la propriété ci-dessus s'effectueront, au plus tard, en même temps que la consignation des terres domaniales ou plus tôt si faire se peut.

Moyennant le présent échange, leurs Altesses déclarent formellement se désister de toutes actions par eux introduites directement ou indirectement contre le Gouvernement, devant n'importe quelle juridiction, renoncer à toutes réclamations quelconques, déclarent, en un mot, que Son Altesse le Khédive, ainsi que le Gouvernement Égyptien, sont entièrement et définitivement libérés vis-à-vis d'eux à ce jour, sans qu'il puisse y avoir revendication à exercer, compte à faire, réclamation à soulever, pour quelque cause et sous quelque prétexte que ce soit, les présentes constituant un règlement de comptes définitif.

Moyennant le présent arrangement, la Liste Civile se trouve définitivement réduite de la somme £ E. 86,173 présentement rachetée. En conséquence, les dits Princes et Princesses déclarent formellement en leur nom, et, en tant que de besoin, au nom de leurs héritiers, qu'ils n'ont plus aucun droit, et ne peuvent, à quelque titre que ce soit, demander une allocation sur la Liste Civile.

Il est bien entendu que cet arrangement est définitif ; les Parties Contractantes s'entendront ensuite pour donner à cet acte la forme légale qui sera reconnue nécessaire, et consigner tous les budgets, titres, &c.

Je vous prie de m'envoyer une copie certifiée conforme de vos pouvoirs et de la procuration de son Altesse Hussein Pacha Kiamil.

Veuillez, &c.
(Signé) NUBAR.

No. 9.

Sir E. Baring to the Marquis of Salisbury.—(Received February 28.)

(No. 71.)

My Lord,

Cairo, February 14, 1888.

IN my despatch No. 48 of the 27th ultimo, and in previous despatches, I have had the honour to inform your Lordship of the negotiations which were being carried on between Mr. Marriott and the Egyptian Government for the settlement of the claims of the ex-Khedive Ismaïl Pasha and his family, and of the agreement which was ultimately concluded. For convenience of reference it is, I think, desirable to bring all the facts of the case together in one despatch. At the same time, I propose to point out the advantages which the Egyptian Government will derive from the present settlement.

The original claims of Ismaïl Pasha and those members of his family who are parties to the agreement that has now been arrived at amounted to about £ E. 4,500,000. The main heads of these claims were as follows :—

1. Value of the crops, &c., standing on the Khedivial domains in 1878, at the time when they were handed over to the State, £ E. 364,000.

2. Arrears of allowances, £ E. 1,050,000.

3. Value of various lands and Palaces, with their contents, £ E. 3,030,000.

These demands were exclusive of the future payment of the allowances which Ismaïl Pasha and his family claimed in perpetuity for themselves and their descendants.

At the commencement of the present year Mr. Marriott arrived in Egypt, charged by Ismaïl Pasha and the other members of the Khedivial family to arrange a settlement of their claims against the Egyptian Government, and a commutation of the allowances they received from the Civil List. The demands put forward by Mr. Marriott differed very considerably from the preposterous claims hitherto advanced by the ex-Khedive and his family. They were briefly as follows :—

The pensions which had been allotted to those members of the family who were

represented by Mr. Marriott were to be commuted on the basis of twenty years' purchase. The capital sum was to be paid in lands belonging to the Domains Administration, but in estimating the value of these lands a reduction of 20 per cent. was to be made on the value at which they were to be quoted in the "Cahier des Charges" (Official Price-list). The live-stock and floating capital on the lands, at present the property of the Domains Administration, were to be handed over without any extra charge being made for them.

In May 1886 Ismail Pasha, on the death of his mother, the Princess Koshiar, laid claim to her annuity of £ E. 20,000 a-year, and also to the contents of her Palaces. This claim was not admitted by the Khedive. Mr. Marriott proposed that £ E. 500,000 should be paid in satisfaction of this demand.

A sum of £ E. 150,000 was also claimed in consideration of the crops, &c., which were standing on the Khedive's domains in 1878.

Lastly, the Palace and other properties at Constantinople, and the Palaces of Ghizeh and Gezireh, with their "teftiches" (that is, the farms which appertain to them, and which are of considerable value), were to be given up by the Egyptian Government.

Mr. Marriott's proposed settlement of the claims of the Khedivial family was presented to the Egyptian Government, but was declared by them to be quite inadmissible. At the same time, it was agreed that it was desirable, if possible, to settle those claims, and especially to commute the pensions, which were actually being paid, for land belonging to the State Domains. Negotiations were accordingly entered into between Sir Edgar Vincent and Mr. Marriott. The result of these negotiations has been that a settlement of the question has been arrived at.

The arrangement which has now been agreed to by the Egyptian Government and by Mr. Marriott, representing the ex-Khedive and the other Princes and Princesses concerned, is as follows:—

Allowances to the extent of £ E. 86,173 a-year are commuted into Domains lands valued at £ E. 1,210,000 in the "Cahier des Charges." This is equal to fourteen years' purchase, if the calculation be made on the "Cahier des Charges" prices; or about twelve and a-half years' purchase if the calculation be based on the true commercial prices of the land. Out of this amount a sum not exceeding £ E. 180,000 may be claimed in cash by the Princes and Princesses in order to enable them to purchase the live stock and other floating capital at present on the lands that may be selected.

Half of Ismail Pasha's land, and two-thirds of the lands given to the other members of the family, will be constituted "wakfs" in favour of their lineal descendants, that is to say, they will be placed in trust. On the failure of descendants the lands will return to the State.

The Egyptian Government renounce all claim to the Palace of Emirghian and other properties at Constantinople, and the Palaces and gardens of Kasr-el-My and Ghezireh, but without the lands ("teftiches") attached to the latter two Palaces.

£ E. 100,000 will be paid in settlement of the claim of the crops, &c., standing on the ex-Khedive's lands at the time of their cession to the State.

Lastly, Ismail Pasha, and the other Princes and Princesses who are parties to the Agreement, formally abandon all claims whatever upon the Egyptian Government, both for themselves and their descendants.

The arguments in favour of this compromise are based upon the fact that it is fair and equitable to all parties concerned.

In order to properly appreciate the financial advantages to the Egyptian Government, it must be borne in mind that Her Majesty's Government, after consultation with the Law Officers of the Crown, have given their opinion that, although the Khedive has full power in the distribution of the Civil List of £ E. 300,000 set apart yearly for the maintenance of the Khedivial family, he has no right legally to surrender to the State, towards its public expenditure, any portion of that sum.

It follows from this opinion that, from the point of view of Egyptian finance, the entry of £ E. 300,000 for the Civil List in the yearly Budget is of a permanent character, and consequently that the allowances which have been commuted by the present settlement would otherwise have been a permanent charge on the Egyptian Treasury.

The allowances were, no doubt, of a temporary character as regards those who were in actual enjoyment of them. The Khedive could, it is believed, from a strictly legal point of view, at any moment have revoked the allowances paid to Ismail Pasha or any other member of the family. But he could not have devoted the amount thus saved to the expenditure of the Administration. He must have redistributed it among the remaining

members of the Khedivial family. It is, therefore, easy to see the saving to the Egyptian Government involved in the transaction under consideration. A sum of (£ E. 1,210,000 + £ E. 100,000) £ E. 1,310,000 is required to reduce the Civil List of £ E. 300,000 by £ E. 86,173 annually. If the amount required can be borrowed at 5 per cent., the interest upon it will amount to £ E. 65,500, and the yearly saving to the Government will be about £ E. 21,000. If interest be calculated at $5\frac{1}{2}$ per cent., the yearly saving will be about £ E. 14,500. Thus, even if the money has to be obtained at the latter rate, a small margin will be left, which will be sufficient to provide for a sinking fund to gradually extinguish the loan without any fresh charge being imposed on the Egyptian Treasury.

A second advantage of the present arrangement to the Egyptian Government is that it will relieve them from the necessity of administering Domains lands to the value of more than £ E. 1,000,000.

It is well known that for some years the Government have been unable to make these properties pay the interest of the sum for which they have been mortgaged. It is impossible to administer economically in Cairo large tracts of land scattered over the whole of Egypt. It has consequently been the policy of the Government to sell as much of this land as possible. The great difficulty has been that the prices fixed by the "Cahier des Charges," being based on the total amount of loan to which the lands are hypothecated, are considered to be considerably in excess of their commercial value. The present settlement affords an opportunity of disposing of about a seventh of the remaining Domains lands at the value quoted in the "Cahier des Charges," and will reduce in proportion the annual Domains deficit.

Further, the Princes and Princesses concerned have the right to dispose of one-third of their lands, and Ismail Pasha of one-half. These lands will, no doubt, sooner or later, pass into the hands of the fellahen, a result which, from the economical conditions of the country, is greatly to be desired.

The cession of the three Palaces is rather advantageous than otherwise to the Egyptian Government. The building of these Palaces cost large sums of money, but it would be impossible to dispose of them except by pulling them down and selling the materials, which would fetch a very small sum. Hitherto their maintenance has caused an annual expenditure of several thousands of pounds.

In considering the value of the present compromise to the Government, it should not be forgotten that if Ismail Pasha had had recourse to the Tribunals, and if he had obtained a decision in favour of his claims, a result of which the highest legal authorities here have unanimously declared there was no danger, but which, in the proverbial uncertainty of legal matters, might well be taken into consideration, a complete financial breakdown must inevitably have ensued. No prudent Government would neglect an opportunity of avoiding the risk, however slight, of such a catastrophe.

Lastly, it cannot be considered otherwise than sound policy that a country in the position of Egypt should, as far as possible, remove all possible grievances, whether imaginary or well founded, from the ex-Ruler of the country. In the present instance this has been done without incurring any undue sacrifices. All the parties to the settlement are satisfied, and from their individual points of view all are gainers. Such a result is, in the highest degree, beneficial to Egypt and her Government, and reflects great credit upon the ability, fairness, and moderation displayed by Sir Edgar Vincent and Mr. Marriott, who negotiated the transaction.

I have, &c.
(Signed) E. BARING.